

House File 398

S-5193

1 Amend House File 398, as passed by the House, as
2 follows:

3 1. Page 1, by striking lines 2 through 5 and
4 inserting <the following new subsection:>

5 2. By striking page 1, line 16, through page 2,
6 line 14, and inserting:

7 <Sec. ____ . Section 522B.11, subsection 7, Code
8 2014, is amended to read as follows:

9 7. *a.* ~~Unless an insurance producer holds oneself~~
10 ~~out as an insurance specialist, consultant, or~~
11 ~~counselor and receives compensation for consultation~~
12 ~~and advice apart from commissions paid by an insurer~~
13 ~~otherwise provided in this subsection, the duties and~~
14 ~~responsibilities of an insurance producer are limited~~
15 ~~to those duties and responsibilities set forth in~~
16 ~~Sandbulte v. Farm Bureau Mut. Ins. Co., 343 N.W.2d 457~~
17 ~~(Iowa 1984).~~

18 *b.* The general assembly declares that the holding
19 of Langwith v. Am. Nat'l Gen. Ins. Co., (No. 08-0778)
20 793 N.W.2d 215 (Iowa 2010) is abrogated to the extent
21 that it overrules Sandbulte and imposes higher or
22 greater duties and responsibilities on insurance
23 producers than those set forth in Sandbulte.

24 *c.* Unless an insurance producer holds oneself out
25 as an insurance specialist, consultant, or counselor
26 and receives compensation for consultation and advice
27 apart from commissions paid by an insurer, an insurance
28 producer, while acting within the scope and course of
29 the license provided for by this chapter, is not in the
30 business of supplying information to others.

31 *d.* An insurance producer owes any duties and
32 responsibilities referred to in this subsection only
33 to the policy owner, a person in privity of contract
34 with the insurance producer, a person who has executed
35 a written instrument required by the insurer in order
36 to become a policy owner, and the principal in an
37 agency relationship with the insurance producer. If
38 a person to whom an insurance producer owes duties
39 and responsibilities is deceased or incapacitated, a
40 direct and specifically identified beneficiary, who
41 is referenced in a written instrument required by the
42 insurer or provided by the insurance producer that is
43 executed by the person and delivered to the insurer
44 or insurance producer prior to the person's death
45 or incapacity, may enforce the insurance producer's
46 duties and responsibilities. An insurance producer
47 does not owe any duty to a person who was a direct
48 and specifically identified beneficiary if the policy
49 owner changes the beneficiary in the manner required
50 by the policy or contract and removes the person as a

1 beneficiary.>

2 3. By renumbering as necessary.

ROBERT M. HOGG